LEGISLATIVE SERVICES AGENCY OFFICE OF FISCAL AND MANAGEMENT ANALYSIS

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FISCAL IMPACT STATEMENT

LS 6227 NOTE PREPARED: Nov 11, 2005

BILL NUMBER: HB 1039 BILL AMENDED:

SUBJECT: Lifetime Hunting, Fishing, and Trapping Licenses.

FIRST AUTHOR: Rep. Stilwell BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: X GENERAL IMPACT: State

X DEDICATED FEDERAL

Summary of Legislation: This bill makes permanent a provision authorizing the issuance of lifetime hunting, fishing, and trapping licenses.

Effective Date: July 1, 2006.

<u>Explanation of State Expenditures:</u> The Department of Natural Resources (DNR) will experience an increase in administrative expenses associated with re-establishing the lifetime licenses; however, the fee established for the license could be used to pay for any additional administrative expense.

Explanation of State Revenues: Before July 1, 2005, the DNR could issue lifetime licenses. However, P.L. 225-2005 stipulated that provisions pertaining to the lifetime licenses applied only prior to July 1, 2005. The proposal re-establishes the license. Statistics pertaining to the license are listed below.

The fee for a comprehensive lifetime hunting and fishing license prior to July 2005 was \$1,154. IC 14-22-12-7 provided that all money received for this license must be deposited in the Lifetime License Trust Fund (LLTF). IC 14-22-4-6 provides that all accumulated earnings in the LLTF plus 2.5% of the money in the fund must be transferred to the Fish and Wildlife Fund (FWF) to maintain the automated point-of-sale licensing system and to pay the operational expenses of the Divisions of Fish and Wildlife and Law Enforcement.

Based on the sale of one lifetime license at \$1,154, the Divisions of Law Enforcement and Fish and Wildlife could receive 2.5% or approximately \$29 plus approximately \$11 in interest, for a total of \$40. If an individual purchased from the DNR an annual license for hunting and fishing at \$20.75, turkey hunting at \$23, a game

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bird habitat stamp at \$6.75, a deer firearms license at \$24, and a deer muzzle loader license at \$24, the total license revenue collected, or \$98.50, would be deposited in the FWF to finance the operations of the Divisions of Law Enforcement and Fish and Wildlife.

Lifetime hunting and fishing licenses and the LLTF were authorized in 1983. Prior to July 2005, the DNR sold over 42,000 lifetime licenses. In 2001, 1,547 lifetime licenses were sold. In 2002, over 21,000 were sold after a fee increase was passed by the Natural Resources Commission in 2001. In 2002, 579 lifetime licenses were sold. In 2003, 668 licenses were sold.

The lifetime license fee is the annual license fee multiplied by 20. Use of a lifetime license beyond 20 years could result in less revenue generated relative to annual purchases.

As of November 2005, the LLTF had a balance of \$8.8 M.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: DNR

Local Agencies Affected:

Information Sources: DNR

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